

103^D CONGRESS
1ST SESSION

S. 431

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 21, 1993

Referred to the Committee on Energy and Commerce

AN ACT

To amend the Motor Vehicle Information and Cost Savings Act to provide for vehicle damage disclosure and consumer protection.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Vehicle Damage Dis-
5 closure and Consumer Protection Act of 1993”.

1 **SEC. 2. PURPOSE.**

2 Section 401 of the Motor Vehicle Information and
3 Cost Savings Act (15 U.S.C. 1981) is amended by insert-
4 ing after the second sentence the following new sentences:
5 “It is also the purpose of this title to protect purchasers
6 with respect to motor vehicles for which States have pre-
7 viously issued a title brand indicating prior damage. It is
8 further the purpose of this title to protect purchasers with
9 respect to motor vehicles which have been repurchased, re-
10 placed, or reacquired under a State lemon law.”.

11 **SEC. 3. DEFINITIONS.**

12 Section 402 of the Motor Vehicle Information and
13 Cost Savings Act (15 U.S.C. 1982) is amended by adding
14 at the end the following new paragraphs:

15 “(9) The term ‘manufacturer buyback vehicle’
16 means a motor vehicle that has been repurchased,
17 replaced, or reacquired pursuant to a State lemon
18 law.

19 “(10) The term ‘State lemon law’ means a
20 State law requiring that a motor vehicle manufac-
21 turer, distributor, or dealer repurchase, replace, or
22 reacquire a new motor vehicle due to a nonconform-
23 ity in materials or workmanship that renders the ve-
24 hicle unfit for ordinary use or reasonably intended
25 purposes.”.

1 **SEC. 4. DISCLOSURE REQUIREMENTS UPON TRANSFER OF**
2 **OWNERSHIP OF A MOTOR VEHICLE.**

3 Section 408 of the Motor Vehicle Information and
4 Cost Savings Act (15 U.S.C. 1988) is amended by adding
5 at the end the following new subsection:

6 “(h)(1) Any motor vehicle the ownership of which is
7 transferred may not be licensed for use in any State unless
8 the State discloses on the title whether records readily ac-
9 cessible to it indicate—

10 “(A) whether the vehicle was previously issued
11 a title that bore any word or symbol signifying that
12 the vehicle was ‘salvage’, ‘junk’, ‘reconstructed’, or
13 ‘rebuilt’, that it has been damaged by flood, or that
14 it was a manufacturer buyback vehicle, and

15 “(B) if it was issued such a title, which State
16 first issued such a title.

17 “(2) The Secretary shall—

18 “(A) not later than 90 days after the date of
19 enactment of the Vehicle Damage Disclosure and
20 Consumer Protection Act of 1993, prescribe by rule
21 the manner in which, and the date by which, a State
22 shall disclose the information described in paragraph
23 (1)(A) and the manner in which such information
24 shall be retained.

25 “(B) not later than 12 months after such date
26 of enactment, in consultation with the task force es-

1 tablished under section 140(a) of the Anti Car Theft
2 Act of 1992 (15 U.S.C. 2041 note), prescribe by
3 rule uniform minimum standards and procedures re-
4 lating to the disclosure by a State on a vehicle cer-
5 tificate of title that a vehicle has sustained severe
6 damage,

7 “(C) study and develop recommendations (in
8 consultation, to the extent practicable, with the task
9 force described in subparagraph (B)) concerning
10 whether, in order to maximize consumer protection,
11 a disclosure of the dollar value of damage to a motor
12 vehicle should be included on all of its certificates of
13 title, at times of title transfer, in any case in which
14 the motor vehicle has neither been declared a total
15 loss by an insurer or vehicle owner nor had its title
16 branded with any word or symbol signifying that the
17 vehicle was ‘salvage’, ‘junk’, ‘reconstructed’, or ‘re-
18 built’ or that it was damaged by flood, and

19 “(D) not later than 12 months after the date
20 of enactment of the Vehicle Damage Disclosure and
21 Consumer Protection Act of 1993, prescribe by rule
22 the minimum requirements of form and content for
23 State certificates of title.”.

1 **SEC. 5. DISCLOSURE OF MANUFACTURER BUYBACK VEHIC-**
2 **CLES.**

3 (a) STUDY.—The Secretary of Transportation shall
4 conduct a study of the various means that may be required
5 by Federal law for disclosing to prospective purchasers
6 that a motor vehicle is a manufacturer buyback vehicle.
7 The study shall include a consideration of the advantages
8 and disadvantages of each alternative, taking into account
9 the cost to the vehicle manufacturer, distributor, or dealer
10 of complying with such requirement and the effectiveness
11 of the requirement in informing purchasers.

12 (b) MEANS FOR DISCLOSURE.—Among the means for
13 disclosure that shall be the subject of the study required
14 by this section are the following:

15 (1) A national uniform sticker, affixed to the
16 windshield of a motor vehicle prior to a purchaser's
17 agreement to purchase the vehicle, that States that
18 the vehicle is a manufacturer buyback vehicle.

19 (2) A national uniform consumer disclosure
20 statement, provided to any prospective purchaser be-
21 fore the purchase agreement occurs, that—

22 (A) includes the motor vehicle make, model,
23 year, vehicle identification number, and any prior
24 title numbers and prior States of title; and

25 (B) discloses that the motor vehicle is (accord-
26 ing to records available to the State issuing the cer-

(d) DEFINITIONS.—The terms “manufacturer buyback vehicle”, “dealer”, and “distributor” have the meanings those terms have under section 402 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1988), as amended by this Act.

Attest:

WALTER J. STEWART,
Secretary.